



COUNTY OF TULARE
BOARD OF RETIREMENT

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JOINT MEETING MINUTES
BOARD OF SUPERVISORS AND BOARD OF RETIREMENT
Wednesday, May 23, 2018 @ 8:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

Called to Order by Board of Supervisors Vice Chair, Kyler Crocker, and by Roland Hill, Retirement Board Chair.

II. ROLL CALL

Supervisors Present: Crocker, Vander Poel, Shuklian, Ennis
Supervisors Absent: Worthley
Others Present: Michael Spata, CAO; Sophia Almanza, Deputy CAO; Paul Guerrero, Administrative Analyst-CAO; Deanne Peterson, County Counsel; Jeff Kuhn, Chief Deputy County Counsel
Clerk: Melinda Benton

Retirement Board
Members Present: Cook, Hill, Ross, Reed, Young, Watson, Crawford, Vander Poel
Alternates Present: Norman, Taylor, Sampietro
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator; Mary Warner, Administrative Services Officer; Barbara Grunwald and Marit Erickson, Deputy County Counsel; and Scott Whalen, Verus.
Clerk: Rebecca Pendleton

Let the record show that Ms. Crawford arrived at 8:33 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. JOINT MEETING ITEMS

1. Presentation by Scott Whalen of Verus regarding TCERA's First Quarter 2018 Investment Performance Report. Discussion and possible action.

The First Quarter 2018 Investment Performance Report was presented by Scott Whalen on behalf of Verus.

2. Presentation by Scott Whalen of Verus regarding results of TCERA's 2018 Asset/Liability Study. Discussion and possible action.

Scott Whalen made the 2018 Asset/Liability Study presentation on behalf of Verus. Discussion was held regarding various asset mixes included in the report and the impact proceeds from the County's pending pension obligation bond issuance will have on TCERA's funded status and on the County's contribution rates. The Chair authorized one hour and fifteen minutes of continuing educational hours.

MOTION to adopt TCERA's 2018 Asset/Liability Study and continue with the current asset allocation mix as previously approved by the Retirement Board.

Vander Poel/Watson Approved Unanimously

3. Discussion of Tulare County's action regarding issuance of Pension Obligation Bonds.
 - a. Discussion and possible action regarding Tulare County's financial, economic and demographic information.

Michael Spata, CAO, expressed his appreciation to TCERA Trustees and Staff in regards to the Pension Obligation Bonds. He indicated that the County will be selling the \$250 million all in one lump sum. Funding is to close by the end of the fiscal year. Amortization with the Retirement Board will be over 19 years. The County has also set-up an IRC 115 Trust for future offsets to pension contribution rate increases.

BOARD OF SUPERVISORS ADJOURNED: 10:28 a.m.

Kuyler Crocker, Vice Chair

V. X-AGENDA ITEMS

None.

VI. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of May 9, 2018.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services for the period ended April, 2018, in the amount of \$20,000.00.
3. Approve reports:
 - a. Retirement applications and option selections: deceased pensioners, through April, 2018.

MOTION to approve the Consent Calendar.

Reed/Watson Approved Unanimously

VII. COMMITTEE REPORTS

1. Update by Jim Young regarding the Investment Committee meeting of May 22, 2018. Discussion and possible action regarding the following items:

a. Asset Allocation Status

Mr. Young mentioned that the Committee reviewed the Asset Allocation Status report. During the meeting Ms. Malison noted that the report had been updated to include line items for the pending investments for SGA and the TSSP Opportunistic investment. The recently approved additional commitment to Pathway Fund 9 was also reflected in the report comments. Mr. Kehler reported that the required contracts and amendments for SGA, TSSP and Pathway are or will be completed by month end. The SGA investment should fund the beginning of June.

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

Mr. Young noted that the Committee reviewed the timeline and the calendar. Mr. Whalen suggested that June or July would be good timing for a presentation on investment opportunities in real assets. He will wait on direction from the Board regarding scheduling the presentation. The Board directed that the real assets presentation be scheduled for the June 27, 2018 Retirement Board meeting.

c. Ivy Investments/Waddell & Reed – Review of Organizational Changes and Recommendation from Verus

Mr. Whalen reviewed the recommendation from Verus regarding Ivy Investments. Mr. Young noted that the Committee discussed the recommendation as well as whether the Board presentation from Ivy that is scheduled for the June 13, 2018 Board of Retirement meeting is necessary. The Committee recommendation is that TCERA direct Verus to conduct a large cap growth equity search which would include Ivy Investments and cancel the Ivy presentation scheduled for June 13, 2018.

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

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

The Committee reviewed the flash report, noting positive returns for the month and the difficult market conditions experienced so far in 2018.

2) Managers of Interest

No discussion was held.

VIII. OLD BUSINESS

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

Mr. Kehler reported that SB1270 which is TCERA’s Bill regarding the Board of Retirement having authority to treat the Assistant Administrator and CIO positions as At-Will was approved for support at the SACRS Business meeting. Senator Andy Vidak is the bill’s author and SACRS will be the co-sponsor.

IX. EDUCATION ITEMS

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

No action taken.

X. UPCOMING MEETINGS

1. 05/23/2018 Administrative Committee meeting @ (Immediately following today’s Joint Meeting.)

2. 06/13/2018 Retirement Board meeting @ 8:30 a.m.
3. 06/19/2018 Investment Committee meeting @ 3:00 p.m.
4. 06/21/2018 Administrative Committee meeting @ 2:00 p.m.
5. 06/27/2018 Retirement Board meeting @ 8:30 a.m.

XI. 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. Kehler reminded the Trustees of the dinner offered by QMA on June 12th and requested that if anyone wishes to attend contact Rebecca Pendleton or himself.

XII. BOARD OF RETIREMENT ADJOURNED: 10:48 a.m.

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Roland Hill, Chair