



COUNTY OF TULARE
BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, January 9, 2019 @ 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, Reed, Young, Watson, Crawford, Vander Poel
Members Absent: Cook
Alternates Present: Vasquez, Taylor, Sampietro
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator; Adriana Gonzales-Chang, Retirement Specialist; Barbara Grunwald and Marit Erickson, Deputy County Counsel; Paul Guerrero, CAO-Administrative Analyst; Charlie Norman, Former Trustee.

Let the record show that Ms. Crawford arrived at 8:41 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
3. Swearing-in of newly elected and re-elected TCERA Trustees.

Mr. Vander Poel, swore-in David Vasquez, Mike Watson, and Roland Hill.

4. Presentation to outgoing Board Member Charlie Norman, in appreciation for his service to the TCERA Board and Plan members.

Mr. Hill presented a Plaque of Appreciation to Mr. Norman, former Alternate Safety Trustee, for his service to the TCERA Board and Plan members.

5. Nominations and elections for the positions of Chair and Vice Chair for the Board of Retirement for the 2019 calendar year.

MOTION to nominate and elect Roland Hill as Chair and Mike Watson as Vice Chair for the 2019 calendar year.

Young/Mauro Approved Unanimously
Absent: Cook, Crawford

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 introduced Mr. David Vasquez as TCERA's new Alternate Safety Member.

IV. X-AGENDA ITEMS

None.

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

1. Closed session was held from 8:43 to 8:52 a.m. regarding disability matters listed on the Agenda.
2. In the matter of the disability application of Steve Sassano, consider and take action regarding the application for a disability retirement.

MOTION to grant a Service Connected Disability Retirement to Mr. Steve Sassano under the heart presumptive provisions of California Government Code Section 31720.5.

Watson/Crawford Approved Unanimously
Absent: Cook

3. Accepted as filed: Disability Status Report Overview.

VI. LEGAL REPORT

1. Accepted as filed: County Counsel Case Status Report.

VII. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of December 12, 2018.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services for the quarter ended November, 2018, in the amount of \$20,835.98.
 - b. Nossaman – invoice for outside legal services regarding general advice and counsel, for the period ended November, 2018, in the amount of \$53.50.
 - c. Nossaman – invoice for outside legal services regarding Ocean Avenue Capital Partners Fund IV for the period ended November, 2018, in the amount of \$16,578.90.

MOTION to approve the Consent Calendar.

Ross/Vander Poel Approved
Absent: Cook, (Vander Poel: Left the room during the vote.)

VIII. COMMITTEE REPORTS

1. Update by Wayne Ross regarding the Administrative Committee meeting of December 20, 2018. Discussion and possible action regarding the following items:
 - a. Financial and Budget reports for the period ending November 30, 2018.

The Committee reviewed the Financial and Budget reports and recommended approval by the full Board.

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

Vander Poel/Young Approved Unanimously
Absent: Cook

- b. CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION (Gov. Code, Sec. 54956.9, subd. (d)(2))
Number of potential cases: 1
Survivor request for change of pension payment option.

Mr. Grant Fly and his brother Mr. Jeff Fly attended the meeting. Mr. Grant Fly briefly addressed the Board. Closed Session was held from 9:00 to 9:46 a.m. regarding this matter.

MOTION to deny the survivor request for change of pension payment option.

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

Mr. Kehler reviewed the pension payment options for Trustees. The Chair authorized forty-five minutes of continuing education hours related to this matter.

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

The Committee reviewed the Asset Allocation Report. Ms. Malison informed the Committee that the target percentages by managers have been updated to reflect the revised asset allocation adopted by the Board with placeholders for the three new managers to be hired in 2019. It was also noted that the paperwork for the \$50 million additional commitment to RREEF is complete and an initial capital call of \$12.5 million is scheduled for January. During the Committee meeting, Mr. Mauro requested clarification regarding investments in International Equity and Global Equity. Mr. Whalen reviewed the definition and purpose of those asset classes via conference call.

- b. 2018/2019 Investment Committee Goals and Objectives Timeline and 2018/2019 Education Calendar

The Committee reviewed the timeline and calendar with no recommendation for changes.

- c. Vendor/Investment Firm Referral Reports
 - 1) Kennedy Wilson
 - 2) TA Associates Realty

The Committee reviewed the requests to include Kennedy Wilson and TA Associates Realty in the upcoming Value Add Real Estate manager search. Mr. Whalen indicated that Verus is familiar with both firms and would have no objection to including them in the search. The Committee authorized Verus to include TA Realty and Kennedy Wilson in the upcoming Value Add Real Estate manager search.

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

During the Committee meeting, Mr. Whalen addressed the downturn in the market and indicated that at the time it was seen as a market correction. Verus will continue to monitor the situation. The Committee also noted that the dollar cost averaging of the investment of the Pension Obligation Bond proceeds continues to work in TCERA's favor during these market conditions. Mr. Mauro asked about the performance of Commodities and the reason for their inclusion in the portfolio. The Committee discussed the reasons for diversification and the role that Commodities plays in a diversified portfolio as a hedge against inflation.

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

During the Committee meeting, Mr. Whalen noted that an update regarding Ivy Investment will be included in his quarterly report on February 27th.

- b) Parametric – Personnel Changes

No action was required.

IX. EDUCATION ITEMS

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

Mr. Ross questioned if there are other ways of obtaining continuing educational hours besides attending out-of-town conferences. Mr. Kehler mentioned there are webinars and SACRS CD's which can be used by Trustees to meet the required hours.

X. UPCOMING MEETINGS

1. 01/15/2019 Investment Committee meeting @ 3:00 p.m. (*Tentative*)
2. 01/17/2019 Administrative Committee meeting @ 2:00 p.m. (*Tentative*)
3. 01/23/2019 Retirement Board meeting @ 8:30 a.m.
4. 02/06/2019 Retirement Board meeting @ 8:30 a.m. (*1st Wednesday of month*)

Mr. Hill noted that the Committee's would remain the same until further notice. Mr. Kehler mentioned that the January 17, 2019 Administrative Committee meeting is cancelled due to a lack of items.

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.

None.

XII. COMMUNICATIONS

1. For Your Information:
 - a. Notification from TCiCT regarding Granicus Password Policy Change.

XIII. ADJOURNED: 10:17 a.m.

Roland Hill, Chair