



COUNTY OF TULARE
BOARD OF RETIREMENT

David J. Kehler
Retirement Administrator

136 N. AKERS STREET
VISALIA, CA 93291

TELEPHONE (559) 713-2900
FAX (559) 730-2631
WEBSITE: www.tcera.org

MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, February 27, 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: Cook, Hill, Mauro, Ross, Reed, Young, Watson, Crawford, Vander Poel
Alternates Present: Vasquez, Taylor, Sampietro
Others Present: David Kehler, Retirement Administrator; Leanne Malison, Assistant Administrator;
Jeanette Burks, Retirement Specialist; Mary Warner, Administrative Services Officer;
Barbara Grunwald, Deputy County Counsel; Paul Guerrero, CAO-Administrative Analyst;
Scott Whalen, Verus Investments

Let the record show that Mr. Ross departed at 9:14 a.m. Ms. Crawford departed at 10:30 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 8:34 to 9:08 a.m. regarding disability matters listed on the Agenda.
2. In the matter of the disability application of Jimmy Herrera, consider and take action regarding the application for a disability retirement.

MOTION to grant a non-service connected disability retirement to Jimmy Herrera.

Vander Poel/Ross Approved Unanimously

3. In the matter of the disability application of Adam Johnson, reconsider the Board's action of August 22, 2018.

Let the record show that Captain Watson recused himself and left the room before the matter was discussed. Battalion Chief David Vasquez, voted on this matter.

MOTION to rescind the prior action of August 22, 2018 and deny the disability application of Adam Johnson based on: 1) Applicant was terminated for cause; 2) The termination was neither the result of a disabling medical condition nor preemptive of a valid claim for disability; 3) The termination severed the employment relationship rendering the applicant ineligible for disability retirement.

Cook/Vander Poel Approved Unanimously
Recused: Watson

4. In the matter of the disability application of Barbara Ramirez, consider and take action regarding the application for a service connected disability retirement.

MOTION to deny the service connected disability application of Barbara Ramirez.

Cook/Young Approved Unanimously

5. Accepted as filed: Disability Status Report Overview.

VI. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of February 6, 2019.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services for the month ended January, 2019, in the amount of \$20,000.00.
 - b. BNY Mellon – invoice for master trust custodial services for the quarter ended December, 2018, in the amount of \$84,223.91.
 - c. Nossaman – invoices for outside legal services to the Board of Retirement for the period ending December, 2018, in the amounts of \$4,272.75 and \$607.05.

MOTION to approve the Consent Calendar.

Watson/Mauro Approved Unanimously

VII. COMMITTEE REPORTS

1. Update by Gary Reed regarding the Administrative Committee meeting of February 21, 2019. Discussion and possible action regarding the following items:
 - a. Preliminary Financial and Budget reports for the period ending December 31, 2018.

Mr. Reed mentioned that the Committee reviewed the preliminary reports and that no action is needed at this time.

- b. Recovery of Benefit and Refund Overpayments.

Mr. Reed noted that Staff had sent requests to the remaining group of seven individuals who received benefit overpayments related to this matter. Little to no response has been received and there have been no efforts made by the former members to repay the amounts due. Due to the passage of time Staff recommended that the amounts be written off in accordance with Board of Retirement policy. The Committee approved a motion to end any further efforts to recover the amounts due and directed Staff to write the amounts off. No action was needed by the full Board.

c. Tier IV Sick Leave Conversion Calculations.

Mr. Reed indicated that during the Committee meeting, Mr. Kehler explained the issue as one involving incorrect information that was sent to TCERA in which unused sick leave hours were reported for conversion to additional retirement service credit. In each of the three cases listed, the member does not meet the County's service requirements of eligibility for the sick leave conversion benefit. Mr. Kehler stated that the overpayments made to the individuals affected are small and that Staff recommended the Committee directs Staff to correct the benefit amounts on a go forward basis and to forgive overpayments already made. The Committee approved a motion for Staff to correct the monthly pension amounts and to forgive overpayments made to date. No action was needed by the full Board. At today's Board meeting, Mr. Kehler indicated that two of them were corrected on February 28th and the other one will be corrected on March 31, 2019.

VIII. INVESTMENTS

1. Presentation from Ashmore Group regarding TCERA's investment manager search in the Emerging Market Debt space. Discussion and possible action.

David Muller and Ted Smith made the presentation on behalf of Ashmore Group. The Chair authorized forty-five minutes of continuing education hours for Trustees and Staff present. (Ms. Crawford departed early and is to receive fifteen minutes. Mr. Ross was absent.)

MOTION to authorize due diligence visits to both Ashmore Group and Prudential GIM.

Vander Poel/Young Approved Unanimously
Absent: Ross, Crawford

2. Presentation from Prudential GIM regarding TCERA's investment manager search in the Emerging Market Debt space. Discussion and possible action.

The presentation was made by Peter Taggart and Mariusz Banasiak on behalf of Prudential GIM. The Chair authorized forty-five minutes of continuing education hours. (Ms. Crawford was present. Mr. Ross was absent.)

3. Presentation from Verus regarding TCERA's Fourth Quarter 2018 Investment Performance Report. Discussion and possible action.

Scott Whalen made the presentation on behalf on Verus. The Chair authorized thirty minutes of continuing education hours to Trustees and Staff present. (Ms. Crawford and Mr. Ross were absent.)

IX. NEW BUSINESS

1. Discussion and possible action regarding crediting of interest to member accounts and TCERA's reserves for the period ending December 31, 2018.

Mr. Kehler reviewed the Board's options.

MOTION to approve the following: For Members in Tiers 1-3, credit member accounts and reserves entitled to interest at a rate of 3.4522%. For Tier 4 Members, credit member accounts and reserves entitled to interest at a rate of 3.5441% for the period ending December 31, 2018. Allocate a sufficient amount to maintain the Contingency Reserve at 3.0% of total assets as previously approved by the Board.

Vander Poel/Watson Approved Unanimously
Absent: Ross, Crawford

2. Discussion and possible action regarding compensation agreement for TCERA's incoming Retirement Administrator.

Mr. Hill, Chair, provided the following historical background: On Oct. 24, 2018 Mr. Kehler announced his retirement to be effective on March 30, 2019. On Nov. 7, 2018 the Board of Retirement appointed Leanne Malison, Assistant Retirement Administrator, to the position of Retirement Administrator effective March 30, 2019, subject to salary negotiations. On Nov. 28, 2018 the Board of Retirement authorized the Chair, Roland Hill, and Vice Chair, Mike Watson, to work on salary negotiations. An agreement was reached and the matter was brought to the Board of Supervisors meeting of Feb. 26, 2019 to comply with existing transparency laws. The Board of Supervisors granted approval and the matter is now is being brought to the Board of Retirement for action.

Mr. Hill disclosed that this item is the contract with Leanne Malison for the position of Retirement Administrator effective March 30, 2019 and she will remain a County of Tulare employee. Ms. Malison's annual salary will be \$165,000, with the same standard benefits provided to Bargaining Unit 10 employees and automobile allowance in the same manner as provided to County of Tulare department heads.

MOTION to approve the compensation agreement for TCERA's incoming Retirement Administrator.

Reed/Young Approved Unanimously
Absent: Ross, Crawford

X. EDUCATION ITEMS

1. Accept Summary Education Report as filed: Barbara Grunwald, CALAPRS Attorneys' RoundTable, February 1, 2019.

MOTION to approve the Summary Education Report as filed.

Young/Cook Approved Unanimously
Absent: Ross, Crawford

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

None.

XI. UPCOMING MEETINGS

1. 03/13/2019 Retirement Board meeting @ 8:30 a.m.
2. 03/20/2019 Investment Committee meeting @ 2:00 p.m.
3. 03/21/2019 Administrative Committee meeting @ 2:00 p.m.

XII. TRUSTEE / STAFF COMMENTS

1. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time.

Barbara Grunwald mentioned a case regarding employer with no active payroll with remaining liabilities.

XIII. COMMUNICATIONS

1. For Your Information:
 - a. Treasurer's Quarterly Investment Report for the quarter ending December 31, 2018.

XIV. ADJOURNED: 11:32 a.m.

Roland Hill, Chair