



COUNTY OF TULARE
BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, September 25, 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 at 8:30 a.m.

II. ROLL CALL

Members Present: Cook, Hill, Reed, Young, Watson, Crawford, Vander Poel
Members Absent: Mauro, Ross
Alternates Present: Taylor, Vasquez (Voting member in the absence of Ross)
Alternates Absent: Sampietro
Others Present: Leanne Malison, Retirement Administrator; Mary Warner, Administrative Services Officer; Barbara Grunwald and Marit Erickson, Deputy County Counsel; Paul Guerrero, CAO Administrative Analyst; Scott Whalen, Verus Investments

Let the record show that Pete Vander Poel arrived at 8:48 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

None

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.

IV. X-AGENDA ITEMS

None

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

1. Closed session was held from 8:44 to 8:55 a.m. regarding disability matters listed on this agenda.
2. In the matter of the disability application of Mara Iftimie, consider and take action regarding the application for a disability retirement.

Ms. Iftimie addressed the Board.

Motion to deny the service connected disability retirement application of Mara Iftimie. The application is untimely and the applicant has not met the burden of proof for permanent incapacity.

Young/Watson Approved unanimously
Absent: Mauro, Ross

3. In the matter of the disability application of Scott Mackey, consider and take action regarding the application for a disability retirement.
Mr. Mackey addressed the Board.

Motion to grant the service connected disability retirement application of Scott Mackey. The applicant has met the burden of proof for permanent incapacity and job causation.

Watson/Reed Approved unanimously
Absent: Mauro, Ross

4. In the matter of the disability application of Adam Davison, consider and take action regarding the Hearing Officer's Proposed Decision.

Motion to accept and adopt the Hearing Officer's Proposed Decision to deny the non-service connected disability retirement application of Adam Davison.

Vander Poel/Vasquez Approved unanimously
Absent: Mauro, Ross

5. Accept as filed: Disability Status Report Overview.

VI. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of September 11, 2019.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services for the period ended August 31, 2019, in the amount of \$20,895.59.

Motion to approve the Consent Calendar.

Young/Watson Approved unanimously
Absent: Mauro, Ross

VII. COMMITTEE REPORTS

1. Update by Jim Young regarding the Investment Committee meeting of September 18, 2019. Discussion and possible action regarding the following items:
 - a. Asset Allocation Status

Mr. Young noted that the report has been updated to reflect the recent changes to the strategic asset allocation adopted by the Board of Retirement. The commodities portfolio will be liquidated by September 30, 2019. The hedge fund portfolio should close out by June 30, 2019.

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

The Active/Passive Equity Management Analysis of the Domestic Equity Portfolio has been added to the timeline as directed by the Board.

- c. Investment Policy - Investment Presentation Format and Standard Reporting Format

Ms. Malison reviewed the draft presentation format that incorporates all of the requested changes, noting that the revision allows for a single format regardless of the asset class. The Committee recommends adoption of the new format, to be designated as guidelines for manager presentations. The previous formats would no longer be designated as part of the Investment Policy.

Motion to adopt the format as presented as guidelines for investment manager presentations. The investment policy is to be amended to remove the previous formats from the policy.

Young/Crawford Approved unanimously
Absent: Mauro, Ross

d. Investment Policy – Manager Termination

The Committee reviewed the Manager Termination and Courses of Action Prior to Termination sections of the Investment Policy as previously directed by the Board of Retirement. After discussion, the Committee agreed that the current policy provides clear guidance while ensuring that the Board of Retirement has the flexibility to take action as deemed necessary. No changes to the current policy were recommended.

e. Investment Managers

1) Verus Flash Report – All Managers

Mr. Whalen offered a brief review of the report.

2) Managers of Interest

a) Lee Munder – Manager Review

Mr. Whalen reviewed the performance of the manager, noting that Lee Munder performed as expected in recent markets. Mr. Young reported that the Committee directed Staff to remove Lee Munder as a manager of interest from future Investment Committee agendas.

b) William Blair – U.S. Growth Equity Team Update

Mr. Whalen reviewed the team changes. No action is recommended at this time. Verus will continue to monitor the manager as the changes are implemented.

VIII. INVESTMENTS

1. Presentation from Brookfield Asset Management regarding Real Estate Debt. Discussion and possible action.

Chris Reilly and Jarrod Rapalje presented to the Board on behalf of Brookfield Asset Management. The Chair authorized 45 minutes of continuing education for this presentation for trustees and staff present.

2. Presentation from Invesco Commercial Mortgage regarding Real Estate Debt. Discussion and possible action.

Charlie Rose, Bert Crouch, Brooks Monroe, Mike Baran, and Delia Roges presented to the Board on behalf of Invesco Commercial Mortgage. The Chair authorized 45 minutes of continuing education for this presentation for trustees and staff present.

3. Presentation from PGIM Real Estate regarding Real Estate Debt. Discussion and possible action.

Steve Bailey, Marcus Berry and Dennis Martin presented to the Board on behalf of PGIM Real Estate. The Chair authorized 45 minutes of continuing education for this presentation for trustees and staff present.

4. Discussion and possible action regarding TCERA Due Diligence site visits in regards to Real Estate Debt manager search.

Motion to authorize due diligence visits to Invesco Commercial Mortgage and Brookfield Asset Management.

Watson/Vander Poel Approved unanimously
Absent: Mauro, Ross

5. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

No discussion or action taken.

IX. NEW BUSINESS

1. Discussion and possible action regarding Amendment to Resolution Regarding Pay Codes Included as Pensionable Income.

Ms. Malison presented the request from the County of Tulare for the Board of Retirement to take action regarding a new pay code (PS). This code is for Physician Signing and is associated with an already pensionable code for work processed at the staff level.

Motion to adopt the Amendment to Resolution Regarding Pay Codes Included as Pensionable Income identifying pay code PS, Physician Signing, as pensionable compensation.

Watson/Vander Poel Approved unanimously
Absent: Mauro, Ross

X. OLD BUSINESS

1. Closed session was held from 8:44 to 8:55 a.m.concerning:
 - a. PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT (Gov. Code, § 54957) Title of Position: Assistant Retirement Administrator
 - b. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code, § 54957.6) Agency Negotiator: Leanne Malison. Unrepresented Position: Assistant Retirement Administrator

Motion to appoint Mary Warner to the position of Assistant Retirement Administrator effective September 29, 2019 at a salary of \$120,000.00 per year with the standard benefits package for Tulare County employees Bargaining Unit 11.

Young/Cook Approved unanimously
Absent: Mauro, Ross

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

Ms. Malison reviewed California Assembly Bill 1184, currently on the Governor's desk for review. The bill, if signed into law, will require a minimum of two years retention for all email related to business conducted by public entities.

XI. EDUCATION ITEMS

1. Discussion and possible action regarding all listed educational events.

None

XII. UPCOMING MEETINGS

1. 10/09/2019 Retirement Board meeting @ 8:30 a.m. This will include a joint meeting with the Board of Supervisors.
2. 10/16/2019 Investment Committee meeting @ 3:30 p.m.
3. 10/17/2019 Administrative Committee meeting @ 2:00 p.m.
4. 10/23/2019 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.

None

XIV. ADJOURNED 12:04 p.m.



Roland Hill, Chair