



COUNTY OF TULARE BOARD OF RETIREMENT

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, August 26, 2020 at 8:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order by Chairman Roland Hill at 8:30 a.m.

II. ROLL CALL

Voting Trustees Present:	Cass Cook, Roland Hill, Gary Reed, Jim Young, Nathan Polk Dave Kehler, Pete Vander Poel
Voting Alternate Trustees Present:	David Vasquez (arrived 8:41 a.m.)
Alternate Trustees Present:	George Finney, Paul Sampietro
Trustees Absent:	Laura Hernandez, Wayne Ross
Staff Present:	Leanne Malison, Retirement Administrator
Staff Participating Remotely:	Mary Warner, Assistant Retirement Administrator
Counsel Participating Remotely:	Marit Erickson, County Counsel
Consultants Participating Remotely:	Scott Whalen and Mike Kamell, Verus

1. Pledge of Allegiance and Moment of Silence

III. PUBLIC COMMENT

None

IV. X-AGENDA ITEMS

None

V. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of August 12, 2020.
2. Approve payments to:
 - a. BlackRock – invoice for investment management services for the quarter ended June 30, 2020, in the amount of \$42,512.39.

- b. Verus – invoice for investment consulting services for the month ended July 31, 2020, in the amount of \$20,000.00.

Motion to approve the Consent Calendar as presented.

Motion: Young
Second: Reed
Absent: Vasquez
Motion passed unanimously.

VI. COMMITTEE REPORTS

- 1. Update by Dave Kehler regarding the Investment Committee meeting of August 12, 2020. Discussion and possible action regarding the following items:

- a. Asset Allocation Status.

Mr. Kehler reported that the Committee had reviewed the report and noted the pending rebalancing information in the comments.

- b. 2020 Investment Committee Goals and Objectives Timeline and 2020 Education Calendar.

Mr. Kehler reported the updates to the timeline, including a placeholder for a possible round table event next year once travel restrictions are lifted. He also noted that Mr. Reed suggested that a discussion regarding active/passive management might benefit from a pro and con presentation from experts in the field. It was agreed that a web meeting will be scheduled with the assistance of Verus once the Board room technology project is complete.

- c. Update to Investment Policy – Strategic Asset Allocation.

Mr. Kehler reported that this is an administrative step required to formally update the investment policy with the new strategic asset allocation target percentages.

Motion to adopt the revised investment policy as presented.

Motion: Kehler
Second: Reed
Absent: Vasquez
Motion passed unanimously.

- d. Investment Managers.

- 1) Verus Flash Report – All Managers.

No action.

- 2) Managers of Interest.

- a) Franklin Templeton – No action

- b) QMA – No action

- c) Parametric – Mr. Kehler reported that Staff was directed to set up a conference call with Parametric to discuss the cash overlay program.

VII. INVESTMENTS

- 1. Presentation from David Kehler, Mike Kamell and Leanne Malison regarding August 10, 2020 web meeting with KBI. Discussion and possible action.

Mr. Kehler reviewed the highlights from the web meeting including the details presented by KBI regarding the investment approach, market outlook, investment management fees, and information regarding the fit of the investment in TCERA's overall portfolio. Ms. Malison and Mr. Whalen added their comments and perspectives regarding the call and the investment. The trustees discussed the information provided and the role of the global equity investment in TCERA's portfolio.

Motion to eliminate the global equity allocation and the termination of KBI, the allocation to be divided proportionally between domestic and international allocations.

Motion failed for lack of a second.

The Board directed Mr. Whalen to contact KBI to discuss the fee schedule.

2. Educational presentation from Verus regarding delegated investment services. Discussion and possible action.

Mr. Whalen and Mr. Kamell reviewed the educational materials, highlighting the pros and cons as well as the variations of delegated investment services. The Board also discussed the difference between this approach and a staff Chief Investment Officer position.

The Chairman authorized one hour of continuing education for Staff and trustees.

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

No action.

VIII. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. George Finney – SACRS Accessing Onshore Chinese Equity Webinar, May 13, 2020 – 1 hour 20 minutes.
 - b. George Finney – SACRS Ethics Training, July 9, 2020 – 2 hours.
 - c. George Finney – BlackRock Marketing Pulse Call – Sustainable Investing, May 7, 2020 - .75 hour.
 - d. Leanne Malison – Boston Partners Large Cap Value Update, August 5, 2020 – 1 hour.
 - e. Gary Reed – DWS Covid-19 Series, Private Equity, August 10, 2020 - .50 hour.

Motion to approve the education reports as presented.

Motion: Young

Second: Vasquez

Motion passed unanimously.

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

No action.

IX. UPCOMING MEETINGS

1. September 9, 2020 Retirement Board meeting at 8:30 a.m.
2. September 9, 2020 Investment Committee meeting at 10:30 a.m.
3. September 23, 2020 Retirement Board meeting (possible joint meeting with Board of Supervisors – location pending) at 8:30 a.m.

4. September 24, 2020 Administrative Committee meeting at 3:00 p.m.

X. TRUSTEE / STAFF COMMENTS

Mr. Young informed the Board that he had completed his required ethics training.

Mr. Reed encouraged the Board to keep an open mind regarding TCERA investment staff as the fund continues to grow.

XI. COMMUNICATIONS

1. For Your Information:

- a. Tulare County Treasurer's Quarterly Investment Report for the quarter ending June 30, 2020.
- b. Biennial portfolio update materials from the following managers. Discussion and possible action.
 - 1) PGIM
 - 2) Ocean Avenue
 - 3) MacKay Shields
 - 4) Stepstone

XII. ADJOURN

The meeting was adjourned at 10:05 a.m.



Roland Hill, Chair