



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, December 9, 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 at 8:30 a.m. by Roland Hill, Chair.

II. ROLL CALL

Voting Trustees Present: Roland Hill, Wayne Ross, Gary Reed, Nathan Polk
Dave Kehler, Pete Vander Poel

Voting Trustees Participating
Remotely: Cass Cook, Laura Hernandez, Jim Young (departed at 10:31 a.m.)

Alternate Trustees Present: George Finney

Alternate Trustees Participating
Remotely: Paul Sampietro

Alternate Trustees Absent: David Vasquez

Staff Members Present: Leanne Malison, Retirement Administrator

Staff Members Participating
Remotely: Mary Warner, Assistant Retirement Administrator

Board Counsel Participating
Remotely: Marit Erickson, Deputy County Counsel
Jennifer Shiffert, Deputy County Counsel

1. Pledge of Allegiance and Moment of Silence

III. PUBLIC COMMENT

- 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 to be held regarding disability matters listed on this agenda.

Closed session was held from 8:50 a.m. to 9:03 a.m. regarding disability matters listed on the agenda.

2. In the matter of the disability application of Rhonda Davis, consider and take action regarding the Hearing Officer's Proposed Decision.

Stephanie Smittle, Deputy County Counsel and Jane Oatman, counsel for Rhonda Davis, addressed the Board regarding the Hearing Officer's Proposed Decision prior to closed session. Ms. Smittle expressed concerns regarding the conclusions of the medical professionals regarding service connection. Ms. Oatman responded with her opinion that the medical record was clear.

Motion to refer the matter back to the Hearing Officer with instructions to review the concerns expressed by Ms. Smittle.

Motion: Hernandez
Second: Vander Poel
Motion passed unanimously.

3. Accept as filed: Disability Status Report Overview.

VI. LEGAL REPORT

1. County Counsel analysis of Wilmot v. CCCERS

This matter was discussed as part of agenda item X.3.

VII. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of November 18, 2020.
2. Approve payments to:
 - a. Waddell & Reed – invoice for investment management services for the quarter ended September 30, 2020 in the amount of \$103,236.11.
 - b. Franklin Templeton – invoice for investment management services for the quarter ended September 30, 2020 in the amount of \$91,921.30.
 - c. SSGA – invoice for MSCI ACWI Fund investment management services for the quarter ended September 30, 2020 in the amount of \$17,780.67.
 - d. SSGA – invoice for S&P 500 Fund investment management services for the quarter ended September 30, 2020 in the amount of \$8,133.54.
 - e. SSGA – invoice for Russell Small Cap Fund investment management services for the quarter ended September 30 2020, in the amount of \$4,229.13.
 - f. Brown Armstrong – invoice for work in progress on the audit in the amount of \$13,964.59.
 - g. Nossaman – invoice for outside legal services for the period ending October 31, 2020 in the amount of \$2,194.20.
 - h. Hanson Bridgett – invoice for outside legal services for the period ending October 31, 2020 in the amount of \$132.30.
3. Approve reports:
 - a. Retirement applications, option selections and deceased pensioners for the month of November, 2020.

Motion to approve Consent Calendar as presented.

Motion: Ross
Second: Kehler
Motion passed unanimously.

VIII. COMMITTEE REPORTS

1. Update by Laura Hernandez regarding the Administrative Committee meeting of November 19, 2020. Discussion and possible action regarding the following items:
 - a. TCERA and TCERA Property, Inc. Financial Statements – September 30, 2020

Ms. Hernandez reported that the Committee reviewed the Financial Statements for September and recommends approval.

Motion to approve the September 30, 2020 TCERA and TCERA Property, Inc. Financial Statements.

Motion: Hernandez
Second: Ross
Ayes: Hill, Hernandez, Ross, Reed, Cook, Polk, Kehler, Vander Poel
Absent: Young (Mr. Young temporarily exited the WebEx conference during the discussion and action on this item.
Motion passed 8/0.

- b. Services Agreement with the County of Tulare

Mr. Cook and Mr. Sampietro recused themselves from discussion and action regarding this matter because of a conflict of interest and exited the WebEx connection from 9:15 until 9:25 when discussion and action was complete. The Auditor's office is a party to the agreement. Ms. Hernandez reported that the Committee reviewed the revised Services Agreement with the County of Tulare. Ms. Malison answered questions regarding the changes. The Agreement will also be brought to the TCERA Property, Inc. meeting in January for approval.

Motion to approve the Services Agreement with the County of Tulare effective January 1, 2021.

Motion: Kehler
Second: Hernandez

Ayes: Hill, Hernandez, Ross, Reed, Young, Polk, Kehler, Vander Poel
Noes: None
Recused: Cook
Motion passed 8/0.

IX. INVESTMENTS

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

There was no discussion or action on this item.

X. NEW BUSINESS

1. Presentation from Brown Armstrong Accountancy regarding results of TCERA's June 30, 2020 audit. Discussion and possible action.

Rosalva Flores, lead partner on the audit conducted by Brown Armstrong Accountancy, connected via WebEx to review the audit reports. The audit resulted in an unmodified (clean) opinion. Ms. Flores also reviewed the findings of the Agreed Upon Conditions Report. Ms. Malison provided background regarding these items.

Motion to approve the June 30, 2020 audit reports as presented.

Motion: Cook
Second: Vander Poel
Motion passed unanimously

The Chair authorized 30 minutes of continuing education for trustees and staff present.

2. Discussion and possible action regarding TCERA's June 30, 2020 Comprehensive Annual Financial Report (CAFR).

Ms. Malison thanked Mary Warner, Assistant Retirement Administrator, for her work on preparing the CAFR and noted that the contents had been reviewed by the auditor. The CAFR will be posted to TCERA's website, accessible to TCERA members and the public.

Motion to approve TCERA's June 30, 2020 Comprehensive Annual Financial Report (CAFR).

Motion: Reed
Second: Kehler
Motion passed unanimously.

3. Discussion and possible action regarding California pension clean-up omnibus bill AB 2101 – Amendments to the County Employees Retirement Law of 1937.

Item VI. Legal Report – Wilmot vs. CCCERS was also discussed as part of this item. Ms. Erickson reviewed the case noting that it is not final. One key aspect of the case is the determination of how to apply the felony forfeiture statute to members. A second key component is how the Board's approval of retirement applications affects a retirement effective date. Ms. Erickson will keep the Board informed of any developments in this case. This item ties with the discussion of AB 2101 because of the option provided in the bill to delegate authority to the Retirement Administrator to approve retirement applications thereby establishing the effective date of the retirement. Mr. Kehler disclosed that he believes he would need to recuse himself from discussion regarding AB2101 due to the Board Approval of Retirements portion of the bill. As a retiree he believes that he may be personally affected by the results of the Wilmot case and any action regarding AB2101. Mr. Kehler announced his recusal at 10:15 a.m. and departed the building. After consideration, Mr. Finney announced his recusal at 10:19 a.m. and departed the building. Both returned to the meeting at 10:29 a.m. upon conclusion of the discussion and action regarding AB 2101.

Ms. Malison briefly reviewed AB 2101 and identified three areas of particular interest to TCERA. She indicated that each should be discussed thoroughly and recommended that they be forwarded to the Administrative Committee for discussion and recommendation.

- a. Purchase of Parental Leave
- b. Retirement Application Advance Application Window
- c. Board Approval of Retirements

The Board (absent trustee Kehler and alternate trustee Finney) directed Staff to place these items on a future Administrative Committee agenda for discussion and recommendation.

XI. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. George Finney – BlackRock Future Forum, July 21, 2020 and July 23, 2020, 6 hours.
 - b. George Finney – SACRS, 2020 Vintage Should Outperform, July 7, 2020, 1.5 hours.
 - c. George Finney – BlackRock Midyear Investment Outlook, June 24, 2020, .75 hour.
 - d. George Finney – NCPERS, Preparing for the Impact of the Pandemic on your Pension Plan, June 4, 2020, .75 hour.
 - e. George Finney – SACRS, 101Litigation/Multiple Cases, May 22, 2020, 1.5 hours.

Motion to approve the Summary Education Reports as presented.

Motion: Vander Poel

Second: Ross

Motion passed unanimously.

2. Discussion and possible action regarding available educational events.

No discussion or action.

XII. UPCOMING MEETINGS

1. December 9, 2020 Investment Committee meeting at 10:30 a.m.
2. December 17, 2020 Administrative Committee meeting at 3:00 p.m.
3. January 13, 2021 Retirement Board meeting at 8:30 a.m.
4. January 13, 2021 Investment Committee meeting at 10:30 a.m.
5. January Administrative Committee Meeting - TBD

XIII. COMMUNICATIONS

1. Tulare County Treasurer's Quarterly Investment Report for the quarter ending September 30, 2020

XIV. TRUSTEE/STAFF COMMENTS

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

Ms. Hernandez requested that the Board reconsider requiring sexual harassment training for appointed members of the Board of Retirement as discussed at a previous Board meeting. Chairman Hill indicated that he would discuss the matter with the Retirement Administrator.

XV. ADJOURN

The meeting was adjourned at 10:34 a.m.



Roland Hill, Chair