



COUNTY OF TULARE  
**BOARD OF RETIREMENT**

**Leanne Malison**  
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**MINUTES OF THE BOARD OF RETIREMENT**  
REGULAR RETIREMENT BOARD MEETING  
**Wednesday, March 24, 2021 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 Wayne Ross, Chair.

**II. ROLL CALL**

Voting Trustees Present:	Cass Cook (departed 10:10 a.m.), Roland Hill, Laura Hernandez, Wayne Ross, Gary, Reed, Jim Young, Nathan Polk, Dave Kehler, Pete Vander Poel (arrived at 8:34 a.m.)
Alternate Trustees Present:	George Finney, Paul Sampietro, Dave Vasquez
Staff Members Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator
Board Counsel Participating	
Remotely:	Jennifer Shiffert, Deputy County Counsel
Consultants Present:	Scott Whalen, Verus
Consultants Participating	
Remotely:	Mike Kamell, Verus

**III. PLEDGE OF ALLEGIANCE**

**IV. 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

**V. X-AGENDA ITEMS**

None

## VI. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
  - a. Retirement Board Minutes of March 10, 2021.
2. Approve payments to:
  - a. BNY Mellon – invoice for master trust custodial services in the amount of \$81,063.70 for the quarter ended December 31, 2020.
  - b. Verus – invoice for investment consulting services in the amount of \$20,755.96 for the month ended February 28, 2021.

Motion to approve the consent calendar as presented.

Motion: Young

Second: Hernandez

Motion passed unanimously (absent Vander Poel).

## VII. INVESTMENTS

1. Investment Refresher Course - Educational Presentation from Scott Whalen, Verus.

Mr. Whalen provided investment-related education. The Chair authorized 1.25 hours of education credit.

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

No discussion or action.

## VIII. INVESTMENT COMMITTEE REPORT

1. Update by Gary Reed regarding the Investment Committee meeting of March 10, 2021. Discussion and possible action regarding the following items:

- a. Asset Allocation Status

Mr. Reed reported that the Committee reviewed the report and the rebalancing activity that is in process.

- b. 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar

Mr. Reed reported that the Committee discussed the reports and provided guidance to Mr. Whalen regarding the Investment Refresher Course and the Active/Passive discussion.

- c. Asset/Liability Study

Mr. Reed reviewed the discussion regarding topics to be included in the upcoming asset/liability study. The Committee directed Mr. Whalen to include the following in the report:

- Return expectations compared to TCERA's investment return assumption of 7%.
- Risk/return considerations in asset allocation construction.
- Appropriate level of risk for TCERA's portfolio.
- Liquidity study to help assess potential to add private market investments.

d. Rules-Based Investment Manager Scorecard

Mr. Reed informed the Board that Mr. Whalen provided the scorecard for TCERA's consideration as an additional reporting tool for analyzing investment managers. Pros and cons of the report were discussed. The Board affirmed the Committee's recommendation to include a customized report for TCERA in the annual fiscal year end investment performance report beginning with the upcoming report for June 30, 2021.

e. Investment Managers

1) Verus Flash Report – All Managers

Mr. Reed reported that the Committee reviewed the report with Mr. Whalen.

2) Managers of Interest

- a) Franklin Templeton – Manager Review – Mr. Reed noted that there is some improvement in performance for the one-month data. It is too soon to tell if this trend will continue.
- b) Sixth Street – Partnership with Dyal Capital Partners – Mr. Reed indicated that Mr. Whalen had reviewed the concerns regarding the partnership. The Committee directed that Sixth Street remain as a manager of interest to allow for discussion of future developments or effects on portfolio management.
- c) Boston Partners – Personnel Changes – Notification only. No action required.

f. Investment Consultant RFP Responses

Mr. Reed indicated that the Committee recommends the following firms be designated as finalists:

- AndCo
- Meketa
- NEPC
- Verus

The Board indicated that they wanted to allow sufficient time for the presentations and subsequent discussion and directed Staff to schedule the presentations on two separate days. The tentative dates will be Wednesday, April 28, 2021 and Thursday, April 29, 2021, pending confirmation with the firms. The Board also indicated that because of the significance of the investment consultant relationship, in person presentations should be required. The Investment Committee, at its next meeting, intends to discuss and develop standard questions to be posed to each firm during the finalist presentations. Trustees were encouraged to send ideas for questions to the Retirement Administrator for the Committee's consideration.

Motion to identify AndCo, Meketa, NEPC, and Verus as finalists eligible to make presentations to the Board of Retirement. The presentations will be scheduled in person on two separate days.

Motion: Vander Poel

Second: Hernandez

Motion approved unanimously.

## **IX. NEW BUSINESS**

1. Discussion and possible action regarding SACRS Voting Proxy Form for the virtual spring conference.

Motion to authorize the Retirement Administrator as the voting delegate and the Assistant Retirement Administrator as the Alternate Voting Delegate for the virtual spring conference to be held May 11-14, 2021.

Motion: Kehler

Second: Young

Motion approved unanimously (Sampietro voting in the absence of Cook)

2. Discussion and possible action regarding Resolution Regarding Pay Codes Included as Pensionable Income – Strathmore Public Utilities District.

Ms. Malison informed the Board that this resolution is intended to clarify the previous action of the Board where the Strathmore Public Utilities District pay codes were incorporated by reference into an earlier Board resolution. This resolution lists the codes used by the district, independent of codes used by other employers.

Motion to approve the resolution identifying the pensionable status of the Strathmore Public Utilities District pay codes as presented.

Motion: Vander Poel

Second: Young

Motion passed unanimously (Sampietro voting in the absence of Cook)

## **X. EDUCATION ITEMS**

1. Discussion and possible action regarding Summary Education Reports as filed:
  - a. Dave Kehler – PIMCO Webinar: Why Bonds Remain Essential, March 4, 2021, 1 hour
  - b. Dave Kehler – CALAPRS Virtual General Assembly, March 8 & 9, 2021, 6.5 hours
  - c. Leanne Malison – PIMCO Webinar: Why Bonds Remain Essential, March 4, 2021, 1 hour
  - d. Leanne Malison -- CALAPRS Virtual General Assembly, March 8 & 9, 2021, 5 hours

Motion to approve the Summary Education Reports as filed.

Motion: Hill

Second: Young

Motion passed unanimously (Sampietro voting in the absence of Cook)

2. Discussion and possible action regarding available educational events.

No discussion or action.

## **XI. COMMUNICATIONS**

1. SACRS Legislative Update – March 2021

## **XII. UPCOMING MEETINGS**

1. Administrative Committee Meeting March 24, 2021, 10:30 a.m.
2. Board of Retirement Meeting April 14, 2021, 8:30 a.m.

3. Investment Committee Meeting April 14, 2021, 10:30 a.m.
4. Board of Retirement Meeting April 28, 8:30 a.m. – Note possible special meeting on April 29, 2021.
5. Administrative Committee Meeting April 28, 10:30 a.m.

### **XIII. TRUSTEE/STAFF COMMENTS**

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

Ms. Malison provided an office update, reporting that with the upgrade in the COVID status for Tulare County from purple to red, staff have returned full time to the office. Safety protocols remain in place and the lobby continues to be closed to the public except for Board meetings and special appointments.


Mr. Hill announced that this will be his last Board of Retirement meeting. He is retiring from County employment effective March 27, 2021. Chairman Ross presented a plaque to Mr. Hill recognizing his many years of service on the Board.

Ms. Hernandez asked for a brief description of what is necessary for a Golden Handshake and how it affects TCERA. Ms. Malison indicated that this is an employer-initiated action and provided a quick summary of the Golden Handshake process as defined in the California Government Code.

Ms. Malison noted that Mr. Hill's trustee seat would remain vacant until the next election in December of 2021 as required by TCERA policy. She briefly reviewed the role of the alternate trustees during the vacancy noting that the alternate safety trustee can act as the voting member for the vacancy. If the regular safety member and the alternate safety member are absent, the alternate retiree representative can act as the voting member for the safety absence (not the vacancy).

### **XIV. ADJOURNMENT**

The meeting was adjourned at 10:20 a.m.



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Wayne Ross, Chair