



# COUNTY OF TULARE

## BOARD OF RETIREMENT

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### MINUTES OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, April 27, 2022, 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:	Wayne Ross, Gary Reed, Dave Kehler, Jim Young, Laura Hernandez and Cass Cook (arrived 8:34)
Trustees Absent:	Pete Vander Poel, Ty Inman, and Nathan Polk
Alternate Trustees Present:	Paul Sampietro
Voting Alternates Present:	Dave Vasquez, and George Finney
Staff Members Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator, Susie Brown, Secretary
Board Counsel Present:	Makenzie Dunkel, Deputy County Counsel
Consultants Present:	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. 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 April 13, 2022.
2. Approve payments to:
  - a. Leeward Investments – invoice for investment management services in the amount of \$18,498.20 for the prorated start date of March 1, 2021.

- b. Cheiron – invoice for actuarial services in the amount of \$9,437.89 for the quarter ended March 31, 2022.
- c. Verus – invoice for investment consulting services –Private Markets consulting, in the amount of \$75,000 for the quarter ending March 31, 2022.

Motion to approve Consent Calendar as presented.

Motion: Vasquez

Second: Young

Motion passed unanimously.

## **VI. INVESTMENT COMMITTEE REPORT**

- 1. Update by Gary Reed regarding the Investment Committee meeting of April 13, 2022. Discussion and possible action regarding the following items:
  - a. Asset Allocation Status

No updates.

- b. 2022 Investment Committee Goals and Objectives Timeline and 2022 Education Calendar

Mr. Reed reported the Committee reviewed the reports, and that the William Blair contract was finalized the week of April 11<sup>th</sup>.

- c. Small Cap Value Equity Exploratory Manager Review

Mr. Reed provided a reminder that the Committee now have the authority to determine the finalists for this mandate. The current Small Cap Value Equity Manager is Leeward and is included in the presentation materials, and Leeward made a presentation to the Board in March of this year.

Mr. Reed reported that Mr. Kamell reviewed the information provided by Verus for each manager under consideration. Based on the analysis, he stated that the recommendation from Verus would be to keep Leeward in place for this mandate if the trustees were satisfied with the risk profile of the manager. Mr. Francom, a Verus analyst who also participated in the meeting, concurred. The Committee discussed the options and indicated that Leeward should make a presentation to the Board in one year rather than waiting for the regular biennial presentation if it is decided that they remain as TCERA's manager for the small cap value equity.

Mr. Kamell reviewed for the Board the basis for the recommendation from Verus.

The motion approved by the Investment Committee was to recommend that TCERA continue to retain Leeward as the Small Cap Value Equity manager and schedule Leeward for a Board presentation in 12 months.

- d. Investment Managers
  - 1) Verus Flash Report – All Managers

Mr. Reed reported that the markets have been volatile due to the Russia/Ukraine situation and returns are lagging the assumption rate. No further action was required.

Mr. Reed reported that he asked for clarification during the meeting regarding the deployment of cash returned to TCERA from private markets investments. Ms. Malison confirmed that cash received is used for pension payroll, when needed. Capital calls are used as an opportunity for rebalancing the portfolio.

- 2) Managers of Interest

No action.

## **VIII. INVESTMENTS**

1. Presentation from Verus – Update on China Exposure.

Mike Kamell, Verus, provided a presentation update on China Exposure.

2. Education Presentation from State Street Global Advisors regarding Investments in China.

Kim Cook, Relationship Manager for State Street Global Advisors (SSGA) introduced Elliot Hentov, of State Street Global Advisors. Mr. Hentov reviewed the presentation materials and provided details regarding the spectrum of potential risks and rewards associated with investments in China.

The trustees also asked questions regarding how the Ukraine situation is affecting markets in China as well as the rest of the world.

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

Chair approved 2.00 hours of education.

## **IX. EDUCATION ITEMS**

1. Discussion and possible action regarding available educational events.

No action.

## **X. COMMUNICATIONS**

1. SACRS Annual Spring Business Meeting agenda packet for May 13, 2022. Discussion and possible action.

No action or discussion.

2. SACRS Legislative Update, April 2022. Discussion and possible action.

Ms. Malison reported on AB 1971 and the previous direction to express concerns regarding certain sections of the bill to the SACRS Legislative Committee. In the most recent version of the bill, the sections of concern have been removed.

Ms. Malison reported there are several items addressing Public Meetings that may affect California open meeting laws (the Brown Act). These will have minimal impact on TCERA but will be monitored as the bills move through the legislative process.

Mr. Kehler commented on AB2493, a bill that would be applicable to the Orange County Employees' Retirement Association (OCERS), noting that it may affect reporting of final average salary information to reciprocal agencies. Ms. Malison will relay the concern to the OCERS Retirement Administrator.

## **XI. UPCOMING MEETINGS**


3. Administrative Committee Meeting April 27, 2022, 10:00 a.m. - Canceled
4. Board of Retirement Meeting May 25, 2022, 8:30 a.m.
5. Administrative Committee Meeting, May 25, 2022, 10:00 a.m.

## **XII. TRUSTEE/STAFF COMMENTS**

Laura Hernandez expressed thanks for the valuable education presentation today.

## **XIII. ADJOURNMENT**

The meeting was adjourned at 10:55 a.m.

  
Wayne Ross, Chair