



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
FAX (559) 730-2631
www.tcera.org

MINUTES OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, August 12, 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:	Cass Cook, Roland Hill, Laura Hernandez, Wayne Ross, Gary Reed, Jim Young, Dave Kehler, Pete Vander Poel
Voting Alternates Present:	Dave Vasquez
Trustees Absent:	Nathan Polk
Alternates Present:	George Finney
Alternates Participating Remotely:	Paul Sampietro
Staff Present:	Leanne Malison, Retirement Administrator
Staff Participating Remotely:	Mary Warner, Assistant Retirement Administrator
Counsel Participating Remotely:	Marit Erickson
Consultant Present:	Scott Whalen, Verus Investments
Consultant Participating Remotely:	Mike Kamell, Verus Investments

Pledge of Allegiance and Moment of Silence

III. PUBLIC COMMENT

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.

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 8:33 a.m. to 8:36 a.m. to discuss disability matters listed on this agenda.

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

Motion to accept and adopt the Hearing Officer's Proposed Decision to deny service connected disability retirement.

Motion: Young

Second: Vasquez

Motion passed unanimously.

3. Accept as filed: Disability Status Report Overview.

VI. LEGAL REPORT

1. Review of California Supreme Court Decision: *Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association et al.* ("ACERA").

Ms. Erickson reviewed the case summary provided to the Board and the effect on the determination of compensation earnable, as well as the impact on the "California Rule", for public pension plans. Ms. Malison informed the Board that because TCERA is bound by the Ventura decision in 1997 by the California Supreme Court, the pension codes of concern (on call pay, standby pay, and terminal pay) have not been considered pensionable compensation for TCERA members. The Alameda case will have no effect on TCERA's treatment of pensionable compensation.

VII. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
 - a. Retirement Board Minutes of July 22, 2020.
2. Approve payments to:
 - a. Franklin Templeton – invoice for investment management services for the quarter ended June 30, 2020 in the amount of \$91,128.88.
 - b. Boston Partners – invoice for investment management services for the quarter ended June 30, 2020 in the amount of \$62,275.68.
 - c. State Street S&P 500 Flagship – invoice for investment management services for the quarter ended June 30, 2020 in the amount of \$5,321.53.
 - d. State Street Russell Small Cap Completeness – invoice for investment management services for the quarter ended June 30, 2020 in the amount of 3,351.76.
 - e. State Street MSCI ADWI Ex USA – invoice for investment management services for the quarter ended June 30, 2020.
 - f. LMCG – invoice for investment management services for the quarter ended June 30, 2020 in the amount of \$38,376.34.
 - g. Parametric – invoice for investment management services for the quarter ended June 30, 2020 in the amount of \$4,500.
 - h. Waddell & Reed – invoice for investment management services for the quarter ended June 30, 2020 in the amount of \$91,421.42.
 - i. William Blair – invoice for investment management services for the quarter ended June 30, 2020 in the amount of \$71,445.21.

- j. Cheiron – invoice for actuarial services for the quarter ended June 30, 2020, in the amount of \$2,000.00.
 - k. Brown Armstrong – invoice for audit services through June 28, 2020 in the amount of \$14,742.72
3. Approve reports:
- a. Retirement applications, option selections and deceased pensioners for the month of July, 2020.

Motion to approve Consent Calendar as presented.

Motion: Vander Poel

Second: Vasquez

Motion approved unanimously.

VIII. COMMITTEE REPORTS

1. Update by Laura Hernandez regarding the Administrative Committee meeting of July 23, 2020.
Discussion and possible action regarding the following items:

- a. TCERA and TCERA Property, Inc. Financial Statements – May 31, 2020.

Ms. Hernandez reported that the Committee reviewed the statements at the Committee meeting.

Motion to approve the TCERA and TCERA Property, Inc. Financial Statements for May 31, 2020.

Motion: Hernandez

Second: Kehler

Motion approved unanimously.

- b. Board Room Technology Upgrade.

Ms. Hernandez reviewed the recommendation of the Committee to approve Option D as presented in the Board materials. This option includes upgrading speakers and microphones as well as installation of a recording/teleconferencing system with flat screen television to be managed using a Creston touch screen device. The cost of \$53,364.32 includes all equipment, cabling, and labor.

Motion to approve Board Room Technology Upgrade Option D as presented.

Motion: Hernandez

Second: Cook

Motion approved unanimously.

IX. INVESTMENTS

1. Presentation from Verus regarding TCERA's June 30, 2020 Investment Performance Report. Discussion and possible action.

Mr. Whalen reviewed the June 30, 2020 Investment Performance Report. He identified five key areas for review:

- Evaluate active/passive investment strategy.
- Review global equity allocation.
- Review global fixed income allocation.
- Consider increase to private markets.
- Review cash overlay strategy.

The Board directed that any items not already being addressed by the Board be placed on a future Investment Committee agenda.

The Board Chair authorized one hour of continuing education for trustees and staff present.

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

No action.

X. NEW BUSINESS

1. Discussion and possible action regarding continuing education requirements during COVID emergency.

The trustees discussed the impact the COVID emergency has had on access to education. Ms. Malison reminded the trustees that TCERA's education requirement of twenty-four hours each year is more stringent than the education required for trustees under California law. State law requires twenty-four hours of education every two years.

Motion to temporarily implement the education hours required by California law for the duration of the declared COVID emergency. Because the duration of the emergency is unknown, the requirement will be twelve hours for calendar year 2020 and twelve hours for each calendar year thereafter until the emergency declaration is lifted.

Motion: Reed

Second: Vasquez

Motion passed unanimously.

2. Discussion and possible action regarding TCERA Pension Task Force ad hoc Committee.

Supervisor Vander Poel informed the Board that he will be participating as a member of the Board of Supervisors Pension Task Force ad hoc Committee. Ms. Malison informed the Board that because TCERA's ad hoc Committee and the Board of Supervisors ad hoc Committee are expected to meet together to discuss pension issues this could result in a quorum of the Board being present for those discussions. Chairman Hill indicated that he will remove Nathan Polk from TCERA's ad hoc Committee to ensure that this will not be an issue.

The Board directed that TCERA's investment assumption rate, the impact of additional pays (pensionable pay codes) on TCERA liabilities, as well as recent actions taken by the Board of Retirement to improve investment performance be the primary areas of discussion for the Committee. Ms. Malison will work with TCERA's Committee members and the CAO's office to set a date and time for a meeting.

3. Discussion and possible action regarding Amendment to Resolution Regarding Tulare County Superior Courts Pay Codes Included as Pensionable Income.

Ms. Malison informed the Board that there were several pay codes established by the Tulare County Superior Courts that had not been brought before the Board for determination regarding eligibility as pensionable compensation. The resolution for the Board's consideration identifies the appropriate pensionable category for each code.

Ms. Malison indicated that the employer has been reminded that before initiating new pay codes, they must be forwarded to the Board of Retirement for consideration. She also indicated that there will be an annual review of the pay codes to determine if any activity occurred during the year that was not reported to TCERA.

Motion to approve the resolution as presented.

Motion: Kehler

Second: Hernandez

Motion approved unanimously.

XI. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. George Finney – BlackRock: Marketing Pulse Call – Sustainable Investing, May 7, 2020 -- .75 hour.
 - b. Leanne Malison – BlackRock Webinar – A Conversation with Larry Fink – A Fundamental Reshaping of Finance/Building Sustainable Retirements, July 14, 2020 – 1 hour.
 - c. Leanne Malison – BlackRock Webinar – BlackRock Future Forum, July 21, 2020 – 3 hours.
 - d. Leanne Malison – SACRS Ethics Training for Trustees and Staff, July 7, 2020 – 2 hours.
 - e. Mary Warner – Verus 3rd Quarter Investment Landscape Webinar, July 29, 2020 – 1 hour.

Motion to approve the education items as presented.

Motion: Vander Poel

Second: Cook

Motion passed unanimously.

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

No action.

XII. UPCOMING MEETINGS

1. August 12, 2020 Investment Committee meeting at 10:30 a.m.
2. August 26, 2020 Retirement Board meeting at 8:30 a.m.
3. August 27, 2020 Administrative Committee meeting at 3:00 p.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.

Mr. Young informed the Board that a recent article in the Visalia Times Delta regarding pension plans might be of interest to the trustees.

Ms. Malison informed the Board that finding a location for the joint meeting with the Board of Supervisors scheduled for September 23, 2020 is proving difficult. The CAO's office is checking into some options.

XIV. ADJOURN

The meeting was adjourned at 10:29 a.m.



Roland Hill, Chair