



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.tccera.org

MINUTES OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, August 25, 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 8:31 a.m. by Wayne Ross, Chair.

II. ROLL CALL

Voting Trustees Present: Wayne Ross, Cass Cook (arrived 8:32), Ty Inman, Laura Hernandez, Gary Reed, Jim Young Dave Kehler, Nathan Polk, Pete Vander Poel
Alternate Trustees Present: George Finney, Paul Sampietro
Alternate Trustees Absent: David Vasquez
Staff Members Present: Leanne Malison, Retirement Administrator, Mary Warner, Assistant Retirement Administrator, Susie Brown, Secretary I
Board Counsel Participating: Jennifer Shiffert, Deputy County Counsel
Consultants Present: Scott Whalen and 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 August 11, 2021.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services in the amount of \$19,729.08 for the month ended July 31, 2021.

- b. Brown Armstrong – invoice for work in progress on audit processes in the amount of \$23,895.50.
- c. County Counsel – invoice for legal services to the Board of Retirement in the amount of \$7,065.20 for the period ending July 31, 2021.

Motion to approve the Consent Calendar as presented.

Motion: Vander Poel

Second: Hernandez

Motion passed unanimously.

VII. INVESTMENT COMMITTEE REPORT

- 1. Update by Gary Reed regarding the Investment Committee meeting of August 11, 2021. Discussion and possible action regarding the following items:
 - a. Asset Allocation Status.

Mr. Reed reported the Committee reviewed the report.

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

Mr. Reed reported that a number of items on the timeline are now complete. The timeline and calendar are up to date.

- c. Ivy Investment Manager Guidelines.

Mr. Reed reported the Committee reviewed the guidelines and asked Mr. Kamell to review the changes for the Board. Mr. Kamell reported that the 10% investment limit for individual securities is difficult to adhere to because of the weighting of the largest stocks in the index. The new guidelines limit the investment in a single security to the greater of 10% of the portfolio value at market or 2% above a security's benchmark weighting.

Motion to approve the Ivy Manager Guidelines as presented.

Motion: Reed

Second: Young

Motion passed unanimously.

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

Mr. Reed reported the Committee reviewed the June report, noting that the plan has exceeded the investment assumption rate of 7.0% with a preliminary return of approximately 22.9% for the fiscal year. Final performance results will be discussed during the Verus presentation later in the Board agenda.

- 2) Managers of Interest.
 - a) Franklin Templeton – Manager Review.

Mr. Reed reported that the asset class managed by Franklin Templeton will be eliminated eventually under the strategic asset allocation adopted by the Board on August 11, 2021. No action is required at this time.

- b) MacKay Shields – Manager Review/Portfolio Team Update.

Mr. Reed reported that the Committee reviewed the information provided. The change is not an area of concern at this time. No action is required.

c) Ivy – Manager Review/Personnel Turnover

Mr. Reed reported that this change combined with other changes has created some concern. The Committee directed Verus to provide information regarding other high quality large cap growth equity managers compared to Ivy to be reviewed at a future committee meeting.

VIII. INVESTMENTS

1. Verus regarding TCERA’s June 30, 2021, Investment Performance Report. Discussion and possible action.

Mr. Kamell reviewed the June 30, 2021 report including discussion regarding market conditions and performance. Pursuant to some discussion regarding investment performance compared to the interest rate on the County’s Pension Obligation Bonds, Verus was asked to include information regarding performance since 2018 specifically. This will provide good information to the Retirement Board and the Board of Supervisors regarding the benefit of issuing the bonds.

The Chair approved 1 hour of education.

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

None.

IX. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. Pete Vander Poel – Investment Consultant Due Diligence, July 6 – July 9, 2021, 11 hours

Motion to approve the Summary Education Report as presented.

Motion: Vander Poel

Second: Young

Motion passed unanimously.

Ms. Malison commented that the due diligence trips are highly educational and encouraged trustees to participate whenever there is an opportunity.

2. Educational events. Discussion and possible action.

Ms. Malison reported the SACRS fall conference registration is open and will be a live event with strict COVID precautions. There is no agenda yet for the conference.

X. COMMUNICATIONS

1. Tulare County Treasurer’s Quarterly Investment Report for the period ended June 30, 2021.

No action.

2. Discussion and possible action regarding SACRS Legislative Update – August 2021.

- a. Consideration of submitting correspondence to the State Legislature and/or Governor's office regarding TCERA's position on AB 826 – Compensation Earnable.

Ms. Malison reviewed the issues regarding AB 826 and provided a draft letter for review.
Ms. Shiffert provided legal ramifications should this bill pass.

Motion to approve the letter to the CA State Assembly office, and to carbon copy the Governor's office, with a signature from TCERA Administrator, and the Board Chair.

Motion: Vander Poel
Second: Cook

Motion passed unanimously.

XI. UPCOMING MEETINGS

1. Administrative Committee Meeting August 25, 2021, 10:30 a.m.
2. Board of Retirement Meeting September 8, 2021, 8:30 a.m.
3. Investment Committee Meeting September 8, 2021, 10:30 a.m.
4. Board of Retirement Meeting September 22, 2021, 8:30 a.m.
5. Administrative Committee Meeting September 22, 2021, 10:30 a.m.

XII. TRUSTEE/STAFF COMMENTS

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

Mr. Ross reported that Mr. Inman is assigned to the Administrative Committee and will start with the September meeting.

Mr. Vander Poel reported the ad hoc Committee meeting went well and included Graham Schmidt, TCERA's actuary. This will be an agenda item at the next Board meeting.

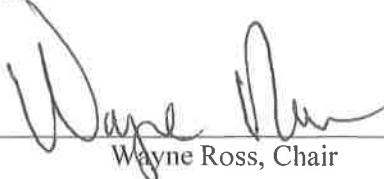
Ms. Hernandez inquired as to providing information regarding availability of video recordings of Board meetings be included in the Grapevine. Ms. Malison reported that when the technology is in place to implement the availability of video recordings, it will be a topic in TCERA's newsletter that goes out to all employees. Notifications will be posted on Facebook and Twitter also. Ms. Malison will connect with Grapevine staff at that time to determine if the County would like to include information in the County newsletter as well.

Mr. Ross thanked Mr. Vander Poel for chairing the last Board meeting in his absence.

Ms. Malison reminded the Board that nominations for the upcoming trustee elections are open for one General Member Trustee Seat and both Safety Member Trustee seats.

XIII. ADJOURNMENT

The meeting was adjourned at 9:53 a.m.



Wayne Ross, Chair