



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, June 23, 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, Laura Hernandez, Wayne Ross, Jim Young, Nathan Polk, Dave Kehler, Pete Vander Poel (departed 10:23 a.m.)
Voting Trustees Absent:	Gary Reed
Voting Alternates Present:	David Vasquez
Alternate Trustees Present:	Paul Sampietro
Alternate Trustees Participating Remotely:	George Finney
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 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 June 9, 2021.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services in the amount of \$20,000.00 for the month ended May 31, 2021.
 - b. County Counsel Invoice for the month ended May 31, 2021.

Motion to approve the Consent Calendar as presented.

Motion: Young

Second: Hernandez

Motion passed unanimously.

VII. INVESTMENT COMMITTEE REPORT

1. Update by Gary Reed regarding the Investment Committee meeting of June 9, 2021. Discussion and possible action regarding the following items:

In Mr. Reed's absence, trustee Pete Vander Poel reported out for the Committee.

- a. Asset Allocation Status

Mr. Vander Poel reported that the Committee discussed the report. The rebalancing between domestic and international equity investments is complete. The adjustments for the active/passive domestic equity allocations to a 50/50 split is pending.

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

The timeline and calendar have been updated with recent action items and directions from the Board of Retirement.

- c. Investment Guideline Review
 - 1) Ivy Investments – Proposed Revisions

Mr. Vander Poel reported that the Committee directed Verus to obtain proposed amended guidelines for formal review by the Committee.

- 2) BlackRock – Guideline Change Approval

Mr. Vander Poel reported that the Committee and the Investment Consultant are comfortable with the proposed changes.

Motion to approve the updated BlackRock guidelines as presented.

Motion: Vander Poel

Second: Kehler

Motion passed unanimously.

- d. China Exposure – Portfolio Review

Mr. Vander Poel reported that Verus provided an excellent presentation and the Committee recommends that this be included as an educational topic for the entire Board at a future date.

- e. Investment Managers
 - 1) Verus Flash Report

Mr. Vander Poel reported that the Committee reviewed the report noting the year to date positive performance. May numbers were pending and difficult to predict given recent volatility.

- 2) Managers of Interest

- a) Franklin Templeton – No Action
 - b) Sixth Street – Dyal Capital Partners – The Committee reviewed the current status of this issue. No further action or information is expected. The Committee directed Staff to remove the item from future agendas.
 - c) PGIM – Organizational update – Information only – no action required.

- f. Agenda Items for Investment Consultant Due Diligence Visits

Mr. Vander Poel reported that the Committee reviewed the draft agenda prepared by Staff and made some minor changes to the time frames allocated to each item.

VIII. INVESTMENTS

- 1. Asset/Liability Study – TCERA’s Strategic Asset Allocation and Actuarial Assumptions. Discussion and possible action.

Mr. Whalen and Mr. Kamell reviewed the presentation materials including several asset mixes for consideration. The Board directed the investment consultant to prepare additional mixes that would provide risk profiles somewhere between Mix 4 and Mix 5 as presented. The information will be brought back for review at the July 28, 2021 Board meeting.

The Board also directed that an ad hoc Committee be appointed to discuss TCERA’s actuarial assumptions. Mr. Ross will appoint the Committee and Ms. Malison will work with the County to set up a date and time for the first meeting.

Ms. Hernandez requested that Verus prepare a refresher course on risk as defined by standard deviation. Staff will work with the investment consultant to schedule the education.

The Chair authorized 2.0 hours of education for the presentation.

- 2. Educational Presentation from Verus regarding Securities Lending.

Mr. Whalen and Mr. Kamell reviewed the presentation materials providing the basic concepts of securities lending. TCERA’s current securities lending participation was also discussed.

The Chair authorized 20 minutes of education for the presentation (absent Vander Poel).

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

No discussion or action.

IX. NEW BUSINESS

1. Discussion and possible action regarding DWS (RREEF) Notice of Annual Meeting of Stockholders/Election of Directors and Proposed Amendments to the Corporation's Charter and Operating Documents – Proxy Vote.

Ms. Malison reviewed the DWS Annual Meeting information for the trustees.

Motion to authorize Staff to vote the proxy in favor of all directors and proposed amendments.

Motion: Kehler
Second: Vasquez
Motion passed (absent Vander Poel).

2. Discussion and possible action regarding Consent to the Second Amendment to the Limited Partnership Agreement of Pathway Private Equity Fund Investors 10, LP.

Ms. Malison reviewed the proposed amendment for the trustees.

Motion to authorize Staff to sign the Consent to the Second Amendment to the Limited Partnership Agreement of Pathway Private Equity Fund Investors 10, LP.

Motion: Young
Second: Hernandez
Motion passed (absent Vander Poel).

3. Discussion and possible action regarding State of California Executive Order N-08-21

- a. Impact on public meetings

Ms. Malison noted for the Board that the most recent Executive Order extends the Brown Act exceptions until September 30, 2021. At that time, meetings will be subject to all provisions of the Brown Act. Ms. Malison will be placing an item on the Administrative Committee agenda for discussion regarding recommendations for the on-line availability of meetings and public access to meetings after September 30, 2021.

- b. Impact on post-retirement employment

Ms. Malison reported that the most recent Executive Order rescinds exceptions for retiree return to work restrictions. As of July 1, 2021, retirees returning to work will be subject to all provisions of the law. Ms. Malison reported that she has sent a notification to County Human Resources to ensure they are aware of the change.

X. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. Mary Warner – BlackRock Future Forum, China: The Evolving Investment Landscape, June 2, 2021, .75 hours.

Motion to approve the Summary Education Report as filed.

Motion: Cook
Second: Sampietro
Motion passed unanimously (absent Vander Poel).

2. Discussion and possible action regarding available educational events.

No action.

XI. COMMUNICATIONS

1. SACRS Legislative Update – June 2021
2. County Counsel Cases Pending Report – May 26, 2021

XII. UPCOMING MEETINGS

1. Board of Retirement Meeting July 14, 2021, 8:30 a.m.
2. Investment Committee Meeting July 14, 2021, 10:30 a.m.
3. Board of Retirement Meeting July 28, 2021, 8:30 a.m.
4. Administrative Committee Meeting July 28, 2021, 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.

Mr. Kehler commented that the Board should consider the extent of work assigned to Verus given the investment consultant search in process. Mr. Whalen assured the Board that Verus will continue to provide full service during the search process.

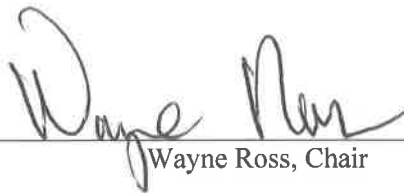
Mr. Kehler requested that the meeting be closed in honor of Phil Cox, a former Board member who recently passed away.

Ms. Malison informed the Board that TCERA office rules regarding COVID protocol have been revised to align with Tulare County Human Resources policy. Vaccinated staff members are not required to wear masks. Unvaccinated staff members will continue to wear masks in common areas. The lobby will be open on a limited basis with appointments and remote communication encouraged. Social distance will continue to be observed for Board meetings until Staff is directed otherwise.

Ms. Malison informed the Board that a sympathy arrangement was sent to Mr. Cox's family on behalf of the Board.

XIV. ADJOURNMENT

The meeting was adjourned in honor of Phil Cox at 10:52 a.m.



Wayne Ross, Chair