



COUNTY OF TULARE  
**BOARD OF RETIREMENT**

**Leanne Malison**  
Retirement Administrator

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**MINUTES OF THE BOARD OF RETIREMENT**  
REGULAR RETIREMENT BOARD MEETING  
**Wednesday, June 24, 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 8:35 a.m. by Roland Hill, Chair.

**II. ROLL CALL**

Voting Trustees Present:	Roland Hill, Chair; Cass Cook, Wayne Ross, Gary Reed, Jim Young, Nathan Polk, Dave Kehler, Pete Vander Poel
Voting Trustees Participating Remotely:	Laura Hernandez
Alternate Trustees Present:	George Finney, Paul Sampietro
Alternate Trustees Participating Remotely:	David Vasquez
Staff Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator
Counsel Participating Remotely:	Marit Erickson, Jennifer Shiffert
Investment Consultant Present:	Scott Whalen
Others Present:	Paul Guerrero, Principal Administrative Analyst, CAO's Office

1. Pledge of Allegiance and Moment of Silence
2. Oath of Office – Newly Elected Trustee, Nathan Polk – Chairman Roland Hill administered the Oath of Office

### 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 8:41 a.m. to 8:45 a.m. to discuss the disability application of Manny Cabeje.

2. In the matter of the disability application of Manny Cabeje, consider and take action regarding the application for a disability retirement.

Motion to grant a service connected disability retirement by determining that, based on the medical evidence submitted, the applicant has met the burden of proof on the question of permanent disability and the question of job causation.

Motion: Young

Second: Vander Poel

Motion approved unanimously.

3. Discussion and possible action regarding the invoice for the Independent Medical Examination report in the amount of \$8,400.00 related to the disability application filed by Sheryl Milton.

Ms. Malison informed the Board that there is an unusually large amount of medical records associated with this application resulting in an estimated cost that exceeds the Retirement Administrator's approval limit.

Motion to approve the cost of the Independent Medical Examination for Sheryl Milton.

Motion: Young

Second: Kehler

Motion approved unanimously.

4. Accept as filed: Disability Status Report Overview.

### VI. CONSENT CALENDAR

1. Approve Minutes of the following Meetings:
  - a. Retirement Board Minutes of June 10, 2020.
2. Approve payments to:
  - a. BlackRock – invoice for investment management services for the quarter ended March 31, 2020, in the amount of \$26,984.06.

- b. SSGA – invoice for the MSCI ACWI Fund investment management services for the quarter ended March 31, 2020, in the amount of \$16,553.99.
- c. SSGA – invoice for the S&P 500 Fund investment management services for the quarter ended March 31, 2020 in the amount of \$5,046.30.
- d. SSGA – invoice for the Russell Small Cap Fund investment management services for the quarter ended March 31, 2020, in the amount of \$3,229.79.
- e. Verus – invoice for investment consulting services for the month ended May 31, 2020, in the amount of \$20,000.00.
- f. Nossaman – invoice for outside legal services for the period ending June 5, 2020, in the amount of \$5,394.15.

Mr. Reed requested that the Nossaman invoice for outside legal services be pulled for discussion.

Motion to approve the Consent Calendar, excluding the Nossaman invoice for outside legal services.

Motion: Kehler  
 Second: Cook  
 Motion approved unanimously.

Mr. Reed asked for clarification regarding the Nossaman invoice, specifically as it relates to expenses incurred for outside legal services. He asked if it should be expected that expenses of this kind will be incurred with the hiring of a new manager. Ms. Malison indicated that County Counsel does not have the expertise for reviewing investment contracts. These expenses will be incurred in the future with the hiring of new managers. He asked if legal services were put out to bid. Ms. Malison informed the Board that the firms available with this expertise were few. She reminded the Board that Ms. Warner had recently surveyed other '37 Act counties and determined that the charges were comparable.

Motion to approve the Nossaman invoice for outside legal services.

Motion: Reed  
 Second: Vander Poel  
 Motion approved unanimously.

## VII. COMMITTEE REPORTS

1. Update by Dave Kehler regarding the Investment Committee meeting of June 10, 2020. Discussion and possible action regarding the following items:
  - a. Asset Allocation Status

Mr. Kehler reported that the Committee had reviewed the report and that Ms. Malison had informed the Committee that there were no rebalancing transactions recommended for the month of May.

- b. 2020 Investment Committee Goals and Objectives Timeline and 2020 Education Calendar

Mr. Kehler reported that the Committee had reviewed the timeline and calendar. The timeline has been updated to include that the Invesco contract is complete. Mr. Kehler noted that the costs associated with the review of contracts can sometimes be mitigated if counsel has experience with the same or similar contracts with the manager associated with other pension plans.

Mr. Kehler also reported that the investment manager presentations listed on the calendar are tentative due to travel restrictions. It was initially expected that KBI would be able to send representatives in person but TCERA has been informed that travel restrictions make that impossible.

c. Parametric Cash Overlay Program

Mr. Kehler indicated that Mr. Whalen gave a brief overview of the program for the benefit of the Committee. The program is currently on hold due to the volatility of the market. Verus is still supportive of the program and is working with Parametric to improve the way the margin account is handled and to determine a reasonable approach for reactivating the program.

d. Investment Managers

1) Verus Flash Report – All Managers

Mr. Kehler indicated that the Committee reviewed the report and discussed recent performance. He noted that Verus has a call scheduled with representatives from Franklin Templeton and will report to the Committee any new information regarding the manager.

2) Managers of Interest

No Action.

## VIII. INVESTMENTS

1. Discussion and possible action regarding proposal for a revised fee schedule from QMA (U.S. Core Equity Manager).

Ms. Malison reminded the trustees of the offer of a revised fee schedule for QMA. If approved, the new fee structure would be retroactive to January 1, 2020. The trustees reviewed the pros and cons of performance fees and the comparison of the new schedule versus the one currently in effect. Ms. Hernandez requested a look-back analysis of what fees would have been historically under the new provision.

Motion to approve the revised fee schedule as presented.

Motion: Reed

Second: Young

Ayes: Cook, Hill, Reed, Young, Polk, Kehler, Vander Poel

Noes: Hernandez, Ross

Motion passed.

2. Discussion and possible action regarding RREEF America REIT II, Inc. Annual Meeting of Stockholders and Proxy Voting of Shares.

Ms. Malison and Mr. Whalen reviewed the proxy materials and provided additional information regarding the effect of the proposed amendment.

Motion to authorize Staff to vote proxy in favor of the proposed directors and amendment to the Corporation's Articles of Restatement.

Motion: Ross

Second: Young

Motion passed unanimously.

3. Presentation from Verus regarding Domestic vs. International Equity Investing. Discussion and possible action.

Mr. Whalen presented materials analyzing domestic and international equity investing. The Board discussed the information and how current geo-political issues may affect international investments.

4. Presentation from Verus regarding TCERA's Strategic Asset Allocation Review. Discussion and possible action.

Mr. Whalen presented materials analyzing TCERA's current allocation along with additional allocation scenarios. The Board discussed the information provided.

Motion to refer the strategic asset allocation to the Investment Committee for more detailed review. Mr. Whalen is requested to provide additional scenarios for discussion. The Committee will forward a recommendation to the Board at the July 22, 2020 meeting.

Motion: Vander Poel  
Second: Hernandez  
Ayes: Hill, Hernandez, Ross, Reed, Young, Polk, Kehler, Vander Poel  
Noes: Cook  
Motion passed.

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

Ms. Malison requested clarification regarding the next scheduled investment manager presentation. KBI had been scheduled for their presentation to be made in person on July 8, 2020, but is no longer able to do so because of travel restrictions. Ms. Malison offered to set up a remote connection for the presentation. The Board directed that the presentation should be postponed until the travel restrictions are lifted.

#### **IX. NEW BUSINESS**

1. Discussion and possible action regarding TCERA's annual budget adjustments for the fiscal year ending June 30, 2020.

Ms. Malison and Ms. Warner reviewed the budget adjustments, noting that there is no change to the total budget amount.

Motion to approve the budget adjustments as presented.

Motion: Cook  
Second: Ross  
Motion approved unanimously.

2. Discussion and possible action regarding the SACRS Board of Directors Elections 2020-2021 and SACRS Voting Proxy Form.

Motion to name Leanne Malison as SACRS voting delegate and Mary Warner as alternate SACRS voting delegate; authorize voting for the SACRS Nominating Committee's slate of directors.

Motion: Kehler  
Second: Young  
Motion passed unanimously.

3. Discussion and possible action regarding the Courtyard Property Owners Association Notice of Upcoming Election and Nomination Form.

Motion to nominate Roland Hill for election as a director of the Courtyard Property Owners Association Board of Directors.

Motion: Vander Poel  
Second: Ross  
Motion approved unanimously.

#### **X. EDUCATION ITEMS**

1. Discussion and possible action regarding Summary Education Reports as filed:
  - a. Mary Warner – Cheiron Webinar on the Varying Impact of the COVID-19 Pandemic on Public Pension Plans – 1 hour.
  - b. Leanne Malison – Nossaman LLP Webinar on the Legal Consequences of Shelter-in-Place Orders and Beyond for Public Pension Systems – 1 hour.
  - c. Leanne Malison – Cheiron Webinar on the Varying Impact of the COVID-19 Pandemic on Public Pension Plans – .75 hour

Motion to approve Education Reports as presented.

Motion: Ross  
Second: Young  
Motion approved unanimously.

2. Discussion and possible action regarding all listed educational events.  
No Action.

#### **XI. UPCOMING MEETINGS**

1. July 8, 2020 Retirement Board meeting at 8:30 a.m.
2. July 8, 2020 Investment Committee meeting at 10:30 a.m.
3. July 22, 2020 Retirement Board meeting at 8:30 a.m.
4. July 23, 2020 Administrative Committee meeting at 3:00 p.m.

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

None.

#### **XIII. COMMUNICATIONS**

1. Tulare County Treasurer's Quarterly Investment Report – Quarter Ending March 31, 2020.

#### **XIV. ADJOURN**

The meeting was adjourned at 11:24 a.m. by Roland Hill, Chair



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Roland Hill